THE SECOND DAY.

22nd February 1916.

The Assembly met at 11-30 A. M. on Tuesday, the 22nd February 1916.

The Chief Secretary to Government announced that the Members of the Quilon Division met the previous day in the Victoria Jubilee Town Hall, under the presidency of the Dewan Peishkar, Quilon, and elected, by a majority of votes, Mr. K. Parameswaran Pillai, B. A. & B. L., to the vacant seat in the Legislative Council, and that His Highness the Maha Raja was pleased to approve his election and to appoint him as a Member of the Legislative Council.

The consideration of the subjects, as per the list distributed to the Members on the previous day, was begun.

I.—FINANCE.

1. The finance of Travancore—some suggestions for its conservation and more economic and equitable application.

Mr. T. K. Velu Pillai, B. A. & B. L. (Member, Trivandrum taluk) on behalf of the Members of the Assembly, expressed sentiments of loyalty and devotion towards the Paramount Power in their present gigantic struggle in Europe to uphold the cause of justice and righteousness, and hoped that this devastating war would be brought to a triumphant termination before long.

Proceeding to his subject, he congratulated the Government on the progressive lines on which the administration was conducted during the previous year in spite of financial pitfalls that could never have been anticipated. He said that a credit balance was not always a sure sign of satisfactory financial administration and that the real ground for anxiety would arise only when the taxable margin was exceeded. The finances of a State could be developed by increasing the existing taxes, by curtailing the expenditure or by tapping fresh sources of revenue. In regard to the first, the Member argued that the taxable margin seemed to dwindle in respect of land for various reasons. The revenue settlement operations had only just been brought to a close and the land was becoming poorer, day by day, on account of the ceaseless demand made upon it by the exigencies of cultivation. The land revenue of the State had therefore attained its maximum, and the modest increases under land revenue, that were perceptible in recent years, were the result of adventitious circumstances such as the sale of tank-beds and the like. The case of indirect taxation was in no way better. The Excise Department could not be expected to yield an ever-increasing return to cover the outgrown expenditure. There also, all the available sources had been tapped and all feasible measures taken to secure the largest return and a scheme of enhanced taxation was not likely to be successful. If taxes were to be raised at all, it was only in the Abkari section. But the price of a commodity would necessarily affect the quantity consumed and no substantial income could therefore be expected by that method also. The receipts from stamps also had risen to a high figure and any further enhancement would be an oppression to the people.

Coming to the question of the curtailment of expenditure, the Member pointed out that the cost of administration had reached a startling figure. He said that departmental re-organisation should not be taken to mean increase of pay to the higher officers and that the object of the Government should be to secure the maximum of efficiency at the minimum cost. The establishment charges, on the whole, were proportionately higher in Travancore than in any of the British Indian Provinces or other Native States. Taking the Public Works Department first, he said

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that there was a phenomenal superfluity of Executive and Assistant Engineers in the department. The money spent on the staff was out of all proportion to the work actually turned out. He compared the total expenditure incurred by the department to that on staff during the last four decades and deduced that the increase under the latter head was disproportionate to the increase under the former. He was unable to accept the argument that higher salaries given to officers would ensure efficient work. When graduates in civil engineering were scarce some twenty years ago, the Government were able to procure their services on a monthly salary of Rs. 80; but now, when the number of qualified young men had considerably increased, they were offered a starting pay of Rs. 250, with a scale up to Rs. 400. Such an increase of pay was common to all ranks of the department. The Member considered that the appointments of Deputy Chief Engineer, two Executive Engineers, three Assistant Engineers and a few Overseers were superfluous. The provision of a reserve staff for leave vacancies in the higher grades of the department was unknown in other departments. He was of opinion that the staff of the Forest Department was also equally inflated, considering that the annual allotments for forest conservation were meagre. As the whole State had been carefully surveyed, there was no necessity for a full-time Survey Superintendent. The appointment of a full-time Port Officer on a very high salary was not consistent with the income from the Marine Department and the probable advantages to be derived therefrom. In the Police Department, he considered that the appointment of Circle Inspectors only increased the expenditure without affording any corresponding advantage. Crimes were on the increase and detection work was slack. The number of Police Circles was capable of being reduced. In the Excise Department also, the number of controlling officers in charge of Circles was rather large. The work of the Sirkar Vakils, he thought, could very well be conducted with a less number. He advocated the abolition of the Sanitary Department as a separate department, leaving a few divisional officers to look after rural sanitation and vaccination under the supervision of the Darbar Physician. The number of civil and criminal courts in Travancore was amazingly large.

Dewan.—But the cry, year after year, from some of the Members of the Assembly, has been for more courts.

The Member explained it to be due to the fact that the Government encouraged them in the belief that new courts would be granted if only they asked for the same. He was certainly against the granting of additional courts. Cochin and Malabar, where people were not less litigious, had comparatively a less number of courts. He then complained that some of the officers of the Judicial Department neglected work, while certain others had only limited capacity and he suggested that prompt measures might be taken to remedy the defect. Coming to the Education Department, he said that there was overstaffing in the higher grades. Two Assistants to the Inspector of Secondary Schools were unnecessary to inspect 66 schools. The one remaining State Geologist should be made to do some useful work or his services also should be dispensed with. The country was not in a position to know what the Archæologist was doing. The department required looking into and proper rules should be framed for its better working, if the department could not be abolished altogether. In concluding his review of the various departments, he asserted that there was ample scope for reducing establishment charges by disbanding a number of unnecessary officers.

Coming to the expenditure on public works, the Member suggested that there should be schemes drawn up beforehand regulating the channels of public expenditure and the sums to be expended on each item with due regard to its importance and that there should be no wastage in the expenditure of the sanctioned funds. The elaborate designs and costly methods of construction recently adopted by the Public Works Department were too great a strain on the resources of the State. Buildings let out to officers were annually repaired at a cost of between twenty and thirty thousand rupees, and costly buildings were also constructed for such purposes. He suggested that, where necessary, the officers might be paid a house allowance, as such a course would be profitable to Government. Money spent on the construction

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of school-buildings was prodigious. He referred to the Alleppey–Shertalay canal as also the bricks used for the Bascule bridge at Alleppey as instances of waste of money brought about by the mistaken policy of the department. He also protested against the sanctioning of revised estimates, as a general rule. He then referred to the loss of books in the Public Library and said that the men responsible for the loss were allowed to escape scot-free. The present method of providing funds for the Railway was not very prudent, as that arrangement had placed generations of posterity in a position of indebtedness to the Railway Company and the annual share of loss under the guaranteed interest was a perpetual drain on the coffers of the State.

Lastly, in regard to the tapping of fresh sources of income, he said that the management of the State forests was susceptible of much improvement. The amount spent by the Forest Department was mainly for the collection and disposal of timber to show present revenue, while that for the scientific conservation of the forests was only a negligible figure. The ingenious device of raising the tariff value on timber had resulted in an increase in the receipts from the department and the export duty on timber was also cancelled. The result was that timber exports became more common and it opened the way for smuggling, as the Excise authorities ceased to have a check over the exports. All those measures affected prejudicially the *bonafide* consumer within the State, who was not able to compete with the foreign capitalists in wholesale auctions. The rule for the daily sale of timber to *bonafide* consumers at tariff rates was evaded, if not disobeyed. The high hopes of the Government in respect of sandalwood were now frustrated. He urged the necessity for developing sandalwood cultivation on a large scale. The amount now realised from minor forest produce was very small, but there was ample scope for improving the receipts under that head. The early preparation of scientific working plans for all the reserves should be insisted on. He urged the desirability of passing rules under the Salt Regulation, as salt manufacture could be extended by fixing a definite share of the produce to the manufacturer. The present proportion was very low. Tobacco also could be cultivated in Shencottah and certain other taluks and the revenue derived therefrom would far outweigh the small expenditure involved. Sweet toddy licenses should be more liberally issued as that would conduce to the production and export of jaggery on an extensive scale. Among other fresh sources of revenue, the Member suggested the levy of export duty on tea and rubber and the imposition of an income tax. Regarding the first, he said that the infant stage of those industries was already over and that they were having hitherto every kind of encouragement at the hands of the Government. Further, the assessment now levied on them was extremely small. He therefore urged the necessity for levying a duty of about 3 pies per lb. of tea and rubber exported from the State. With regard to income tax, he suggested that all incomes above Rs. 1,500 a year, other than agricultural income, should be taxed. The wealthy and influential section of the community obtained the greatest advantages, while the agriculturists alone paid any contribution to the State. There was thus an absence of equity in such a system and he said that his proposal, if accepted, would bring in a revenue of about three lakhs of rupees annually. He also advocated the revival of the export duty on timber.

The Member was of opinion that the appointments of Financial Secretary to Government and Account Officer should be held by different persons as the duplication of powers of initiative and control, in one and the same person, was objectionable in theory and disadvantageous in practice.

The Member made the following proposals for the consideration of Government:—

(1) the people should be given an authoritative voice in measures affecting revenue and expenditure;

(2) the distribution of revenue should be made with due regard to the wants and requirements of the people in different parts of the State, and taluk budgets should be prepared for the purpose;

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(3) agricultural schools, model farms, and seed and manure depots should be freely established;

(4) primary education should be still further extended;

(5) a proper and timely supply of medicines and appliances to the hospitals and dispensaries should be enforced and the Ayurvedic Department expanded;

(6) an economic and industrial survey should be started and cottage industries should be developed;

(7) in education, public health and re-productive works, no retrenchment was possible and it should not be attempted, and the plea of want of funds should not be allowed to affect a progressive course of action in anything that would promote the well-being of the people. If money was wanting, there was no objection to raising it by means of a national debt.

In concluding, he requested that his representations might receive the early consideration of Government.

Dewan's reply.—Noted.

2. The State finance.

Mr. T. Kumara Pillai (Member, Kalkulam taluk) said that, during the years 1080 to 1089, the revenue and expenditure of the State had risen by leaps and bounds. The increase in revenue was the result of the imposition of additional burdens on the ryots while the rise in expenditure was not on comparatively useful lines. The enormity of the recurring and increasing expenditure was a cause of alarm to the people, and that was the reason which prompted them to bring up the subject pointedly to the notice of Government in successive sessions of the Assembly from 1086. The finances of the State could be placed on a sound footing only if the receipts could be developed or the expenditure curtailed. On the subject of increasing the revenue, he observed that the most convenient sources that would ordinarily be thought of were the land revenue, excise and stamps. He considered that any measure affecting the land would be an oppression to the already over-burdened ryot. He pointed out with facts and figures that the rise in the land revenue during the last decade was half as much again as the rise under the head during the previous four decades put together. Besides the completion of settlement operations, many other adventitious circumstances detrimental to the interests of the ryots favoured the extraordinary rise in land revenue. Taking the Excise Department, the Member said that the rise in the revenue from that department was also equally marked. In that connection he pointed out that, though the number of toddy and arrack shops had shown a fall in recent years, the quantity consumed was steadily increasing. He was of opinion that the Government were, in trying to secure the best revenue under that head, indirectly assisting in the promotion of the use of intoxicating liquors, instead of checking the same, and that the desire for any increased revenue would result in affording better facilities for drinking. No increase under the head was therefore desirable. In regard to stamps he pointed out that the increase of revenue under the head during the years 1080 to 1089 was more than eleven lakhs of rupees, while the corresponding figure for the previous two decades put together was only six lakhs. Such a rise was inconsistent with the object with which stamp was introduced, as stated in the Administration Report for 1059. A further increase would be an oppression to the people.

Coming to the question of the curtailment of expenditure, the Member pointed out that, from 1080 to 1089, the increase under 'salaries' was 110%, 'establishment', 35%, 'allowances to officers', 200%, 'allowances to establishment', 350%, and under 'supplies and services and contingencies', about 200%. The increase under most of the items was abnormal. The pay of some of the heads of departments, such as Public Works, Education and Police, was very high. Further, some of the departmental heads were provided with unnecessary Personal Assistants most of whom had not sufficient work now. Efficiency should be procured at the minimum cost. The system of granting personal allowance, another item of expenditure to be met

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